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PUBLIC SERVICE COMMISSION
DEPARTMENT OF LABOR & ECONOMIC GROWTH
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September 22, 2005

Ms. Irene M. Flannery
Universal Service Administration Company
2000 L Street, N.W., Suite 200
Washington, DC 20036

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 – 12th Street, SW, Room TW-A306
Washington, DC 20554

Dear Ms. Flannery and Ms. Dortch:

Re: Section 54.316 of the FCC's Rules; Certification of new rate comparability review for non-rural carriers serving in rural areas.

In reviewing the requirements for Michigan to qualify to use the "safe harbor" provision of CC Docket No. 96-45, FCC 03-249, Michigan's statewide average cost for basic local telephone service must fall within two standard deviations of the FCC's national benchmark figure of \$32.28.

The Michigan Public Service Commission submits the required annual 2005 data relating to our two non-rural Eligible Telecommunications Carriers (ETC), SBC and Verizon. Their current rates for basic local telephone service are:

<u>Company</u>	<u>Monthly Local Rate</u>	<u>Additional Factor</u>	<u>Total Cost</u>
SBC	\$14.39	\$8.78	\$23.17
Verizon	\$15.80	\$8.78	\$24.58

Given these rates fall well within the required range of the established benchmark, Michigan again asks to use the safe harbor provision to meet the requirements of certifying for rate comparability. Please feel free to contact me with any questions. Thank you.

Very truly yours,

Orjiakor N. Isiogu, Director
Michigan Public Service Commission

c: Dan Kearney
Lori Towers-Hoover

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